

STATE OF FLORIDA

Commissioners:
E. LEON JACOBS, JR., CHAIRMAN
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI



DIVISION OF APPEALS
DAVID SMITH
DIRECTOR
(850) 413-6245

Public Service Commission

January 9, 2001

Mr. Carroll Webb
Joint Administrative Procedures
Committee
Room 120 Holland Building
Tallahassee, Florida 32399-1300

Re: PSC Docket No. 001672-TP

Dear Mr. Webb:

The Commission has received a Petition for Declaratory Statement from Lightrade, Inc. on November 6, 2000. A copy of the petition is enclosed. A notice will be published in the Florida Administrative Weekly on Friday, January 19, 2001.

Sincerely,

A handwritten signature in cursive script that reads "Richard C. Bellak".

Richard C. Bellak
Associate General Counsel

cc: Division of Records and Reporting

Enclosure

DOCUMENT NUMBER-DATE
00370 JAN-96
FPSC-RECORDS/REPORTING

Before the
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of)
)
LighTrade, Inc.)
)
Petition for Declaratory Statement)
Before the)
Florida Public Service Commission)

Docket No. 001672-TP

LighTrade, Inc.
1667 K Street, NW Suite 801
Washington, DC 20006
Tel: (202) 466-3490
Fax: (202) 466-3055

F. Kenneth Schwetje, Esq.
Pierson & Burnett, LLP
1667 K Street, NW Suite 801
Washington, DC 20006
Tel: (202) 466-3044
Fax: (202) 466-3055
Counsel to LighTrade

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FLORIDA PUBLIC SERVICE COMMISSION
DIVISION OF APPEALS

I. The Petition

LighTrade, Inc. ("LighTrade") hereby requests a declaratory statement pursuant to 120.565 FS. LighTrade seeks the opinion of the Commission concerning the applicability of the term "telecommunications company", as that term is defined in 364.02 (12) FS, to its planned activities in the State of Florida.

II. The Statute

Chapter 364 of the Florida Statutes grants this Commission the power to exercise enumerated regulatory control over telecommunications companies, as follows:

364.01 Powers of commission, legislative intent.--

DOCUMENT NUMBER-DATE

14301 NOV-68

FPSC-RECORDS/REPORTING

(1) The Florida Public Service Commission shall exercise over and in relation to telecommunications companies the powers conferred by this chapter.

(2) It is the legislative intent to give exclusive jurisdiction in all matters set forth in this chapter to the Florida Public Service Commission in regulating telecommunications companies, and such preemption shall supersede any local or special act or municipal charter where any conflict of authority may exist. However, the provisions of this chapter shall not affect the authority and powers granted in s. 166.231(9) or s. 337.401.

Section 364.02 (12) then defines a telecommunications company as:

(12) "Telecommunications company" includes every corporation, partnership, and person and their lessees, trustees, or receivers appointed by any court whatsoever, and every political subdivision in the state, offering two-way telecommunications service to the public for hire within this state by the use of a telecommunications facility. The term "telecommunications company" does not include:

- (a) An entity which provides a telecommunications facility exclusively to a certificated telecommunications company;
- (b) An entity which provides a telecommunications facility exclusively to a company which is excluded from the definition of a telecommunications company under this subsection;
- (c) A commercial mobile radio service provider;
- (d) A facsimile transmission service;
- (e) A private computer data network company not offering service to the public for hire; or
- (e) A cable television company providing cable service as defined in 47 U.S.C. s. 522.

LighTrade sets forth below a description of the services it plans to provide within the State of Florida. LighTrade seeks the opinion of the Commission as to whether these described activities fall within the definition of "telecommunication company" as defined above.

Specifically, LighTrade asks, whether

- (1) The use of a LighTrade facility, as described below, exclusively by more than one certificated telecommunications company would be consistent with 364.02(12)(a) FS, so as to require certification.
- (2) The use of a LighTrade facility, as described below, exclusively by more than one company excluded from the definition of telecommunications company would be consistent with 364.02(12)(b) FS, so as to require certification.
- (3) The use of a LighTrade facility, as described below, by more than one certificated telecommunications company and one or more one companies excluded from the definition of telecommunications company would be inconsistent with 364.02(12)(a) and (b) FS, so as to require certification.

III. Description of Services

Founded in November, 1999, LighTrade plans to deploy carrier-neutral "pooling points," which will provide immediate provisioning and Quality of Service ("QoS") monitoring services for the delivery of telecommunications capacity sold or traded among other carriers. LighTrade will facilitate the availability of broadband solutions to users and service providers by providing a means for the more efficient distribution and use of telecommunications capacity, by operating a switch into which many carriers will connect, so that telecommunications bandwidth, when sold by one carrier to another, can be routed effectively.

LighTrade will provide a seamless interconnection point, offering a real time provisioning capability and efficient delivery of capacity. LighTrade pooling points will enable the instantaneous transfer of bandwidth between multiple entities and will serve as a catalyst both for the development of a more efficient bandwidth market and a ubiquitous series of aggregation points for broadband services.

LighTrade will provide these services to multiple exchanges and other platforms offering the fastest, most reliable way of connecting the buyers and sellers. In exchange for its services, LighTrade will collect a port usage fee and a fee for the real time-provisioning function. The port charge will be a fixed fee based on the type of port (i.e., DS3, OCN). The real time-provisioning fee will be structured based on the capacity being provisioned and ultimately delivered through the LighTrade switching platform.

In addition to real time provisioning and delivery, LighTrade will provide a carrier neutral performance monitoring and QoS service. The Lucent WaveStar Bandwidth Manager performance monitoring function monitors physical and transmission performance parameters associated with SONET sections, lines, STS paths, or DS3 paths. The performance monitoring is the in-service non-intrusive monitoring and reporting of transmission quality. Performance monitoring supports proactive maintenance to detect

and correct degrading signal conditions that are not yet severe enough to initiate protection switching or alarming.

IV. Description of Equipment

LighTrade pooling points will incorporate the Lucent WaveStar Bandwidth Manager as its primary switching platform. The Bandwidth Manager ("BWM") is a SONET network element that integrates all access and transport facilities (rings) within a network/service node and efficiently manages bandwidth between these facilities via a cost-effective, scaleable switching fabric. The BWM provides multiple electrical and optical interfaces, including OC-48/STM-16, OC-12/STM-4, and OC3/STM-1. The BWM also provides a high level of protection and redundancy. The system incorporates two fully redundant cross-coupled switch fabrics as well as redundant cards for memory, timing and processing functions. In addition, the interface cards offer the industry standard protection of 1xN for DS3 ports and 1+1 protection for optical ports.

It is important to note that LighTrade will not own/operate the inter-city transport facilities (rings). These facilities are operated and provided by the carriers. Upon interconnection, the LighTrade switch will provide equal access to the carrier networks and a capability for real-time provisioning of long-haul capacity from the seller/provider to the buyer/user. In addition, LighTrade will not buy or sell the inter-city capacity provided by the carriers, as this would jeopardize LighTrade's neutral position.

The initial deployment configuration will consist of installing the Lucent WaveStar Bandwidth Manager and support equipment. The support equipment will consist of a PC, router and fiber termination panel. The initial configuration of the Lucent equipment will consist of the following seven bays: one System Controller Bay, two fully redundant Switch Bays, and four Universal I/O Bays. The System Controller Bay provides fully duplicated main control, memory and timing for the BWM. The Switch Bays will be equipped with the 4608 STS-1/1536 STM-1 equivalents of capacity and can support a maximum of 24 equipped Universal I/O Bays. The four Universal I/O Bays will provide electrical and optical transmission interfaces. Future growth will primarily consist of adding the Universal I/O Bays to support additional capacity requirements.

LighTrade will deploy its equipment in a co-location facility since these facilities are typically located in the downtown metro "Telco Hotels." These buildings provide access to a majority of fiber based carriers and thus offer the most efficient interconnection process. In addition, the co-location facility provides the following services in a location that has been previously approved to operate telecommunications equipment:

- Primary AC and DC power
- Secondary power provided by an on-site generator
- HVA
- Fire Suppression
- Security

- 7x24 access
- Floor loading
- Cable trays
- Equipment racks
- Security cage

To support its operations, LighTrade will incorporate a Network Operating Center (“NOC”) and Wide Area Network (“WAN”) as part of its infrastructure. During its first year of operations, LighTrade will utilize Lucent’s NOC located in Denver, CO. In addition, LighTrade will outsource its WAN to Lucent’s preferred service provider. This service will be used to monitor equipment alarms, issue trouble tickets and dispatch technicians for operational support.

In summary, LighTrade will provide a seamless carrier-neutral interconnection point that will significantly improve the provisioning process and allow for a more efficient bandwidth market. LighTrade’s performance monitoring capability and QoS service restricts LighTrade from buying and selling capacity as well as from acting as a re-seller or wholesaler.

V. Description of the Business Arrangements

Carriers, traders and brokers will conduct trades in an over-the-counter market (“OTC”) for the selling and purchasing of bandwidth capacity. LighTrade will solve the delivery piece by providing a central interconnection point that will permit the real time provisioning and delivery of bandwidth. In this OTC market, buyers and sellers will conduct transactions directly with other carriers, through a broker or an on-line exchange. LighTrade’s operations will focus solely on the physical delivery and Quality of Service (“QoS”) monitoring of the transacted bandwidth.

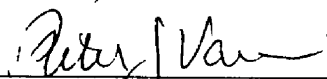
For example, LighTrade is operating a pooling point in two cities, Gotham and Metropolis. In addition, buyers X, Y and Z and sellers A, B and C are connected at both of these pooling points. The buyers and sellers could be certified carriers or traders and brokers that are uncertified individuals or entities. Buyer X purchases a DS-3 from seller A between Gotham and Metropolis for a delivery on January 1, 2001. On December 27, 2000, X determines that it no longer needs this capacity, and sells it to buyer Y. Through LighTrade’s pooling points, buyer Y will be connected to seller A at the precise time of delivery on January 1, 2001. Prior to delivery, both buyer and seller must confirm the transaction due for delivery. Once confirmed, LighTrade will provision the cross-connect in its switch for the appropriate bandwidth capacity on the effective delivery date. After provisioning, LighTrade’s Network Operating Center (“NOC”) will monitor the circuit to insure that the delivery has occurred and the QoS as agreed by the buyer and seller is met.

VI. Conclusion

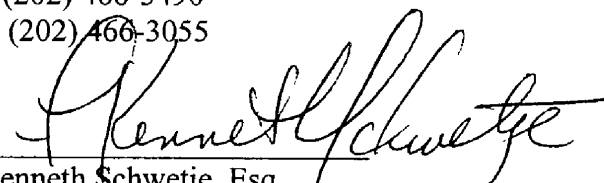
In conclusion, LighTrade certifies that all the information in this application is accurate and correct. For these reasons, LighTrade respectfully requests that the Commission answer this petition, so as to clarify the ambiguity inherent in 364.02(12)(a) FS as to whether a company offering services to both certified and uncertified entities is deemed to be a "telecommunications company" and thus subject to the regulations and licensing of the Commission.

Respectfully submitted, this 2nd day of November 2000.

LighTrade, Inc.

By: 
Peter J. Varani
Vice President, Market Development

LighTrade, Inc.
1667 K Street, NW Suite 801
Washington, DC 20006
Tel: (202) 466-3490
Fax: (202) 466-3055

By: 
F. Kenneth Schwetje, Esq.
Counsel to LighTrade, Inc.

Pierson & Burnett, LLP
1667 K Street, NW Suite 801
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